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BOSTON'S 1981 PERSONNEL REDUCTION PROGRAM

The city of Boston eliminated 1,155 city-funded employees from the payroll between January 1 and May 5 this year. Personnel reductions are necessary to keep city spending within current appropriations and to prepare for Proposition 2½, which becomes fully effective on July 1. The reduction of 1,155 employees has produced a decrease in annualized personnel costs of about \$17.5 million. In addition, Suffolk County positions funded by the city have decreased by 31 since January 1. Finally, the number of federally funded CETA and CDBG positions has been reduced by 53 in the last four months. The Bureau will issue a second report verifying the personnel cuts as of June 30, 1981.

The lack of a reliable and centralized city personnel report has made it difficult to document the changes in city personnel numbers with a high degree of accuracy. The Bureau spent significant time manually auditing and adjusting various payroll reports to get reasonably accurate data. That fact again demonstrates the need for the Mayor and city officials to carry through with their pledge to implement a new personnel/payroll system this year.

The city's personnel reduction program must continue into the coming fiscal year. If no additional state aid is made available and the home-rule petition providing for the bonding of the city's abatement liability is not approved by the Mayor and City Council, Boston will have to lay off at least 2,800 additional employees to provide a balanced budget under Proposition 2½. Future personnel reductions will not come as easily as those to date since 68% of the 1,155 cuts were achieved through a combination of an early retirement bonus program (444), voluntary regular resignations and retirements (261) and transfers to non city-funded positions (81).

Personnel Reduction - 1,155 In Four Months

When the city's latest personnel reduction program began on January 1, there were 12,845 city-funded employees on the payroll. That total was an increase of 84 employees since the Bureau last monitored the city payrolls in September, 1980. From January 1 to May 5 this year city payrolls decreased from 12,845 to 11,690, a cut of 1,155 or 9%. Four departments--Health & Hospitals, Police, Fire and Public Works--represented 66% of the total reduction.

Mayoral departments showed a net decrease of 202 employees or 25% from city-funded payrolls compared with non-mayoral departments which reduced personnel by 953 or 8%. However, at least 50% of the mayoral departments' cuts are attributable to transferring employees to non city-funded positions rather than layoffs.

Six agencies established by the Mayor within existing departments after the budget was approved by the City Council--Policy Management, Energy, Cable, Communications, Public Safety and Boards and Commissions--employed an aggregate of 102 people on January 1, 1981. Those agencies were funded through the "debit transfer" process

until March, when the Superior Court prohibited such funding. These agencies continue to operate even though no payrolls exist for them as of May 5. On March 12, the Boston Redevelopment Authority (BRA) Board voted to retain 56 of the mayoral employees until June 30. The BRA Board appointed 24 of the 41 Policy Management staff, 15 of the 16 Energy Office staff, 3 of the 4 Cable Office staff and 9 of the 18 Public Safety staff. The Mayor's office increased by 16 due to the transfer of 8 employees from Policy Management, 2 from Communications and 6 from other agencies. Most employees from those mayoral agencies likely have been placed on other payrolls. Other mayoral agencies also were able to transfer personnel to other payrolls. The Economic Development and Industrial Commission (EDIC) cut 7 employees who were picked up by the city's Economic Development and Industrial Corporation. The increase in the Listing Board is due to the transfer of 15 of the 17 employees cut by the Election Department.

Department	No. of City-Funded Employees			Annualized Salary Savings (in 000's)
	1/1/81	5/5/81	Variance	
Health & Hospitals	4,273	4,021	(252)	\$ (3,587)
Police	2,786	2,554	(232)	(4,502)
Fire	2,039	1,846	(193)	(3,799)
Public Works	636	545	(91)	(1,256)
Parks & Recreation	416	333	(83)	(1,196)
Community Schools	87	49	(38)	(490)
Library	443	417	(26)	(173)
Real Property	162	145	(17)	208
Election	28	11	(17)	(301)
Mayor's Office	12	28	16	309
Listing Board	8	23	15	256
Retirement Board	28	35	7	136
Traffic & Parking	172	180	8	224
Total City Depts.	12,845	11,690	1,155	\$(17,491)

Personnel/Payroll System Needed

The basic problems with Boston's personnel management systems, the focus of Special Report No. 97 issued October, 1980, continue to make it difficult to determine how many people are employed by the city. Basic management and financial controls suffer because of the lack of accurate and timely payroll procedures and reports. The city has publicly issued a request for proposal on a personnel/payroll system and opened bids on June 12. The cost will be significant but Boston must build up its management capacity at this time of declining resources. The Mayor must press forward to implement this system now.

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